

VZCZCXRO7049
RR RUEHAO RUEHCD RUEHHO RUEHNG RUEHRS
DE RUEHCV #0151/01 0352141
ZNY CCCCC ZZH
R 042140Z FEB 10 ZFF3
FM AMEMBASSY CARACAS
TO RUEHC/SECSTATE WASHDC 0418
INFO OPEC COLLECTIVE
WESTERN HEMISPHERIC AFFAIRS DIPL POSTS
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RHEHNSC/WHITE HOUSE NATIONAL SECURITY COUNCIL WASHINGTON DC
RHMFISS/HQ USSOUTHCOM MIAMI FL
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000151

SIPDIS
ENERGY FOR ALOCKWOOD AND LEINSTEIN, DOE/EIA FOR MCLINE
HQ SOUTHCOM ALSO FOR POLAD
TREASURY FOR MKACZMAREK
COMMERCE FOR 4332/MAC/WH/JLAO
NSC FOR DRESTREPO AND LROSSELLO
OPIC FOR BSIMONEN-MORENO
AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC
AMEMBASSY BRASILIA PASS TO AMCONSUL RECIFE

E.O. 12958: DECL: 2020/02/04
TAGS: [EPET](#) [EINV](#) [ENRG](#) [ECON](#) [VE](#)
SUBJECT: Venezuela: Cuban Minister ValdC's' Mission in Caracas
Controversial

REF: 10 CARACAS 139

CARACAS 00000151 001.3 OF 002

CLASSIFIED BY: Darnall Steuart, Economic Counselor, DOS, Econ;
REASON: 1.4(B), (D)

1. (SBU) SUMMARY: Press reports from opposition, independent Venezuelan media on February 4 react negatively to President Chavez's announcement that Cuban Minister of Communication and Computing Ramiro ValdC)s is in Caracas to assist in resolving Venezuela's electricity crisis [NOTE: President Chavez stated that ValdC)s is the Cuban Minister of Technology. Press reports on February 4 reflect the aforementioned title. END NOTE]. Press articles question ValdC)s' electricity credentials and raise the possibility that his real mission in Venezuela is to assist the Bolivarian Republic of Venezuela (GBRV) to censure access to the Internet, an area in which he is reportedly experienced. Articles and editorials raise the question of why the Cuban electricity model, with near permanent rationing and blackouts, is one Venezuela should emulate. They also claim Venezuela will pay upwards of \$2.4 billion to Cuba for its electricity assistance. Articles also report some biographical information on ValdC)s, including his role in the attack on the Monada barracks in 1953. END SUMMARY.

2. (SBU) The daily "El Nacional" quoted Cuban dissident Carlos Alberto Montaner from Madrid as saying, "Ramiro ValdC)s does not have the faintest idea about how to solve the Venezuelan electricity crisis because if he did, he would have done it in Cuba. What he does know is repression." ("Ramiro ValdC)s no tiene la mC)s minima idea de cC3mo solucionar una crisis elC)ctrica en Venezuela porque si lo hubiera sabido lo hubiera hecho en Cuba. De lo que sC- sabe mucho es de repression.") President of the Cuban Historical Memorial Institute in Miami Pedro Corzo is quoted saying, "As the Minister of Technology, ValdC)s controlled internet censorship in Cuba." ("Como ministro de TechnolgC-a, ValdC)s controla la censura en Internet en Cuba.") One article credits ValdC)s with designing an Internet censorship program modeled on that of the Chinese, which would help guarantee a political/ideological filter on the Internet in support of the

governing regime.

13. (U) On February 4, daily "El Universal" ran an "on the fold" picture of Cuban elementary school students gathered around a computer that is powered by four car batteries. Its front-page, "above the fold" headline highlighted the presence in Venezuela of 65,000 Cubans in key areas and highlighted related articles, including:

B7 Ramiro ValdC)s' expertise as a repressor and censor.

B7 Opposition political parties' rejection of ValdC)s' visit: Luis Carlos SolC3rzano, Secretary General of COPEI held a press conference on February 3 claiming President Chavez has not been truthful about the severity of the electricity crisis. On behalf of Un Nuevo Tiempo (UNT) Enrique MC!rquez rejected ValdC)s' mission and characterized Chavez's decision as an insult to Venezuelan electricity experts. Podemos National Assembly Deputy Juan JosC) Molina proposed a debate within the Bolivarian legislature regarding the presence of ValdC)s in Venezuela.

B7 The insufficiency of Cuban electricity plants in Venezuela: The article claims that Cuba sold Venezuela technologically obsolete plants it acquired in third markets and that for the same funds Venezuela could have purchased large thermal electric plants. It also states that there are some 200 Cuban engineers assisting Venezuela's Corpolec (the umbrella electricity utility company).

B7 The 6.03% 2009 growth of electricity demand in Venezuela: According to a report released by the National Electricity

CARACAS 00000151 002.3 OF 002

Management Office (CNG by its Spanish acronym), Cadafe, one of the largest electricity subsidiaries of Corpolec experienced 14.95% growth in electricity demand in 2009, while the national average totaled 6.03%. In contrast, generation capacity increased only 4.45% over the same period.

14. (C) National Assembly Second Vice President AlbornoZ (PPT) privately derided the visit by ValdC)s to PolCoun. He scoffed that the only expertise the Cubans had on electricity issues was in rationing electricity. He also dismissed the so-called efforts to clamp down on the internet by stressing the difference between an island country and a country with land borders, where controls were easy to circumvent.

15. (SBU) Separate press articles on February 4 claim that the GBRV will pay Cuba \$2.4 billion for the installation of 1,000 MW of additional electricity capacity for Venezuela's nascent distributed electricity transmission/distribution system. Apparently, the agreement was part of a bilateral energy cooperation agreement signed ten years ago. Former Electricity Director of the then Ministry of Energy and Mines Victor Poleo told the press that the bilateral accord includes terms for the GBRV to pay the GOC \$1,000 for every kilowatt installed, \$1,200 for every kilowatt of infrastructure installed, and \$200 for every operative kilowatt. Work began in 2008 under this agreement and has resulted in 636 MW of new electricity capacity to date. Other commentators note, however, that the electrical capacity installed thanks to the Cubans has not necessarily been connected to Venezuela's distribution network.

16. (C) COMMENT: The government continues to claim it still has the technical capacity and resources to address the current electricity crisis. President Chavez's invitation to ValdC)s to assist Venezuela has provoked a strong reaction and has further politicized the electricity crisis, providing a temporary

distraction from Chavez's government's failure to maintain and expand the electricity infrastructure. That ValdC)s might actually be here to help the GBRV begin an Internet censorship program adds another dimension to the growing concern for freedom of speech in Venezuela. END COMMENT.
DUDDY